

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 MMO-01 EURE-00 SSO-00 /014 W

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O R 081523Z APR 76

FM AMEMBASSY MOSCOW

TO USIA WASHDC IMMEDIATE

INFO SECSTATE WASHDC 2317

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FOR IEU, ICS/E, IOA/C; STATE FOR EUR/SOV

E.O. 11652: N/A

TAGS: SCUL UR

SUBJ: BICENTENNIAL EXHIBIT CONTRACT NEGOTIATIONS

REF: USIA 10123

1. FURTHER NEGOTIATIONS HELD WITH CHAMBER LATE APRIL 7 AND MORNING APRIL 8. CHAMBER CONTINUES TO INSIST ON 20,000 RUBLES AS FEE FOR CHAMBER SERVICES TO EXHIBIT. ONLY ADJUSTMENT IN CHAMBER POSITION IS WILLINGNESS TO WRITE CONTRACT FOR FLAT 20,000 FIGURE WITHOUT SPECIFYING NUMBER OF MONTHS OR AMOUNT PER MONTH. DURING SEVERAL HOURS OF INVOLVED DISCUSSION, AMERICAN SIDE RAISED ALL RELEVANT ISSUES INCLUDING THOSE MENTIONED REFTTEL.

2. CHAMBER HAS USED VARIETY OF ARGUMENTS TO JUSTIFY 20,000 FIGURE, WITH BASIC POSITION THAT SIZE AND PRESTIGE OF UNPRECEDENTED BICENTENNIAL EXHIBIT REQUIRE GREATER INVESTMENT OF CHAMBER TIME AND EFFORT TO ENSURE SUCCESS. CHAMBER APRIL 8 RAISED UNIQUE ARGUMENT THAT EXPENSES IN MOSCOW IN FACT HIGHER THAN IN PROVINCIAL CITIES QUOTE JUST LIKE IN YOUR COUNTRY UNQUOTE. APPARENTLY UNLIKE PREVIOUS NEGOTIATIONS, CHAMBER NOW STATES THAT ALTHOUGH MORE ORGANIZATIONAL EFFORT REQUIRED OUTSIDE MOSCOW, RUBLE EXPENSES ARE LOWER DUE

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TO LOCAL SUPPORT. IN MOSCOW CHAMBER MUST SUPPLY ALL

SERVICES ITSELF.

3. AMERICAN SIDE HOLDING FIRM TO OFFER OF 4,000 RUBLES FOR EACH OF THREE MONTHS, TOTAL 12,000 RUBLES. WE FEEL ANY FORMAL AGREEMENT IN EXCESS OF THREE MONTHS (I.E. ACTUAL PERIOD EXHIBIT IN COUNTRY) OR 5,000 RUBLES PER MONTH WOULD CONSTITUTE NEW PRECEDENT WHICH CHAMBER COULD ATTEMPT TO APPLY TO SUBSEQUENT SIE EXHIBITS.

4. SINCE CHAMBER POSITION STATED FLATLY AT THREE SEPARATE MEETINGS, EXPECTATION OF RADICAL CHANGE NOT GREAT. THEREFORE, SUGGEST AGENCY CONSIDER POSSIBILITY OF GRANTING THAT FIVE MONTHS REQUIRED FOR ORGANIZATION OF MAJOR NATIONAL EXHIBIT WITH UNDERSTANDING THAT LOWER RATE OF 4,000 PER MONTH WOULD BE STANDARD RATE FOR CHAMBER SERVICES IN MOSCOW FOR PHOTOGRAPHY EXHIBIT. LANGUAGE BICENTENNIAL CONTRACT WOULD ONLY STATE FLAT FEE OF 20,000 THEREBY NOT ESTABLISHING PRECEDENT OF ADDITIONAL MONTHS OF CHAMBER SERVICES BEFORE AND AFTER ACTUAL EXHIBIT PERIOD. EMBASSY POSITION WOULD BE THAT PHOTOGRAPHY CONTRACT CONTAIN SPECIFIC MENTION OF 4,000 RATE FOR PERIOD EXHIBIT IN MOSCOW.

5. POSSIBILITY EXISTS THAT EVEN THIS STEP MAY BE UNACCEPTABLE TO CHAMBER. IF SO, WE INTEND OFFER HERETOFORE STANDARD 5,000 RUBLES PER MONTH FOR THREE MONTHS, OR 15,000 TOTAL. OTHER CHOICES OF ACTION INCLUDE PAYING FULL 20,000 WITHOUT GAINING ANY TRADEOFF FROM SOVIETS BUT AS FLAT SUM WITH NO NEW NEGATIVE PRECEDENTS FORMALLY ESTABLISHED, OR BREAKING OFF NEGOTIATIONS FOR TIME BEING AND THEREBY ENDANGERING BICENTENNIAL EXHIBIT ITSELF, WHICH WOULD BE HIGHLY VISIBLE ACT. ADVISE.

6. RE PARAGRAPH 3 REFTTEL, AMERICAN SIDE AGREED TO ACCEPT FIGURE OF 3,000 INVITATIONAL TICKETS AT INITIAL NEGOTIATING SESSION APRIL 5 AS REPRESENTING DOUBLING OF ORIGINAL CHAMBER OFFER AND INCREASE IN PERCENTAGE OF TICKETS FOR AMERICAN SIDE TO 20 PERCENT OVER 12.5 PERCENT ON PREVIOUS EXHIBITS. ADDITIONALLY, EXPERIENCE ESPECIALLY WITH TAH LIMITED OFFICIAL USE

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EXHIBIT INDICATES SPECIALIZED GROUPS AND OTHER VIP VISITORS ADMITTED WITHOUT INVITATIONAL PASSES, WHICH GENERALLY DISTRIBUTED TO LOW PRIORITY PERSONS. FYI, ON TAH EXHIBIT AMERICAN SIDE IN ANY CASE GIVEN UP TO TWICE AS MANY TICKETS AS SPECIFIED IN CONTRACT.

7. NO FURTHER NEGOTIATIONS ON BICENTENNIAL CONTRACT PLANNED BEFORE MONDAY, APRIL 12.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BICENTENNIAL CELEBRATIONS, NEGOTIATIONS, MEETING REPORTS, CULTURAL EXHIBITS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MOSCOW05468
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760133-0523
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760483/aaaacswi.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 04 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 MAY 2004 by CollinP0>; APPROVED <02 SEP 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BICENTENNIAL EXHIBIT CONTRACT NEGOTIATIONS
TAGS: SCUL, UR, US
To: USIA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006